

# SENATE BILL REPORT

## SB 6191

---

As Reported By Senate Committee On:  
Labor, Commerce & Trade, January 22, 1996  
Ways & Means, February 6, 1996

**Title:** An act relating to studying and testing the use of credit cards in state liquor stores.

**Brief Description:** Relating to the use of credit cards in state liquor stores.

**Sponsors:** Senators Pelz, Bauer, Deccio and Newhouse.

**Brief History:**

**Committee Activity:** Labor, Commerce & Trade: 1/11/96, 1/22/96 [DP].  
Ways & Means: 1/31/96, 2/2/96, 2/6/96 [DPS].

---

### SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

**Majority Report:** Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Fraser and Newhouse.

**Staff:** Traci Ratzliff (786-7452)

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6191 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Bauer, Cantu, Drew, Finkbeiner, Fraser, Hochstatter, Johnson, Kohl, Long, McDonald, Moyer, Pelz, Quigley, Roach, Sheldon, Snyder, Strannigan, Sutherland, West, Winsley and Wojahn.

**Staff:** Bryon Moore (786-7726)

**Background:** Under current law, an individual may use a credit card to purchase beer or wine from a licensed retailer. However, an individual is prohibited from using a credit card to purchase beer, wine or spirituous (hard) liquor from a state liquor store.

**Summary of Substitute Bill:** The Liquor Control Board is authorized to establish a pilot project that allows individuals to use credit cards to purchase beer, wine or spirituous (hard) liquor from state liquor stores. The project is implemented in no more than 20 stores. The study is limited to 18 months in duration. However, the Liquor Control Board is required to study the pilot project and provide a report to the Legislature by January 1, 1998.

**Substitute Bill Compared to Original Bill:** The provision specifying that the Legislature must act to expand the project to all stores or to discontinue the pilot project is removed.

The study limitation is increased to 18 months, but the Liquor Control Board must provide a report to the Legislature by January 1, 1998.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For (Labor, Commerce & Trade):** Washington State is one of only two control states that does not allow the purchase of alcohol with a credit card. 15 other control states do allow the use of credit cards in state liquor stores. There has been no demonstrated increase in the amount of alcohol sold in states allowing use of credit cards to purchase alcohol. However, customers do apparently tend to buy better quality, higher priced products when credit cards are permitted.

**Testimony Against (Labor, Commerce & Trade):** None.

**Testified (Labor, Commerce & Trade):** PRO: Carter Mitchell, Liquor Control Board; Frank Warnke, Distilled Spirits Council of the U.S.; Brian Harris, Distilled Spirits Council of the U.S.; Jim Halstrom, Seagram and Sons; Sharon Foster, Wine Institute; Joe Daniels, United Food and Commercial Workers.

**Testimony For (Ways & Means):** With liquor sales declining, it is important for the state to take this action. The experience of other states shows that allowing credit card sales does not increase consumption, but rather people buy higher priced or quality items. Allowing credit card purchases in state liquor stores would be especially beneficial to tourists.

**Testimony Against (Ways & Means):** None.

**Testified (Ways & Means):** Carter Mitchell, Liquor Control Board (pro); Jim Halstrom, Joseph E. Seagram & Sons, Inc. (pro); Frank Warnke, Distilled Spirits Council (pro).